

Waterworks District No. 7 Keithville, Louisiana

Financial Statements **Year Ended December 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/30/08

Waterworks District No. 7 Keithville, Louisiana

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Shreveport Office
666 Travis Street
Suite 800
Shreveport, LA 71101
Phone 318 221 3615
Fax 318 425 2904

Dallas Office
2425 N. Central Expy
Suite 200
Richardson, TX 75080
Phone 972 238 5900
Fax 972 238 5920

www.rbm.com

Independent Auditors' Report

Board of Commissioners
Waterworks District No. 7
Keithville, Louisiana

We have audited the accompanying basic financial statements of the Waterworks District No. 7, Keithville, Louisiana (a component unit of the Caddo Parish Commission), as of December 31, 2007, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with United States of America generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Waterworks District No. 7, Keithville, Louisiana as of December 31, 2007, and the results of its operations for the year then ended in conformity with United States of America generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on page 5 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally

accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purpose of additional analysis and is not a required part of the basic financial statements of the Waterworks District No. 7, Keithville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RBM LLP

Certified Public Accountants

Shreveport, Louisiana
June 16, 2008



WATERWORKS DISTRICT #7

6836 COLQUITT ROAD
KEITHVILLE, LOUISIANA 71047

OFFICE HOURS

7:30 to 4:00
Monday-Friday
Phone: 925-6880
Fax 925-3020

BOARD MEMBERS

Steve Mikovich
10506 Oakfield Dr.
Keithville, LA 71047
925-4175

Mary Collier
11104 Peggy Ln.
Keithville, LA 71047
925-0793

Ann Osment
6151 Colquitt Rd.
Keithville, LA 71047
925-8669

Jimmy Edwards
8981 Adams Rd
Keithville, LA 71047
925-9442

Jewell Wagner
7185 Colquitt Rd.
Keithville, LA 71047
925-9897

OPERATIONS MANAGER

Jerry Taylor
546 Dixon
Shreveport, LA 71106
Phone: 687-3613
Pager: 869-7107

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of Waterworks District No. 7, Keithville, Louisiana (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the District's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

For 2007, operating revenue for the District was \$622,056 compared to \$648,664 for the year ended December 31, 2006.

During the years ended December 31, 2007 and 2006 the District had total operating expenses, excluding depreciation, of \$340,899 and \$359,513, respectively. Net other expense for 2007 and 2006 was \$58,727 and \$76,599.

THE DISTRICT

Waterworks District No. 7, Keithville, Louisiana was created by ordinance on January 8, 1975 as provided under Louisiana Revised Statutes 33:3811. The purpose of the District is to provide water service to the residents of District No. 7. The District is governed by a five person board of commissioners appointed by the Caddo Parish Commission and is considered a component unit of Caddo Parish, Louisiana. Commissioners of the District serve five-year terms and are compensated as provided in Louisiana Revised Statutes 33:3819. The District is comprised of property in southwest Caddo Parish, Louisiana and serves approximately 1,600 customers. Operations consist of seven (7) wells, five treatment plants and approximately 72 miles of water lines. The District employs five full-time employees.

REPORTING ON WATERWORKS DISTRICT NO. 7, KEITHVILLE, LOUISIANA AS A WHOLE

Our analysis of the Waterworks District No. 7, Keithville as a whole begins on page 6. One of the most important questions asked about the District's finances is "Is Waterworks District No. 7 as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is

similar to the accounting method used by most private-sector companies. Accrual of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, to assess the overall health of the District.

WATERWORKS DISTRICT NO. 7, KEITHVILLE, LOUISIANA AS A WHOLE

Following is the summary information from the statement of net assets (Table 1) and the statement of activities (Table 2) comparing amounts as of December 31, 2007:

Table 1

	2007
Current and other assets, including investments	\$ 472,812
Restricted assets	397,006
Capital assets	1,998,208
Total assets	2,868,026
Current liabilities	91,093
Long-term liabilities	1,518,323
Total Liabilities	1,609,416
Net assets:	
Reserve for debt service and capital asset purchases	397,006
Unrestricted	861,604
Total net assets	1,258,610
Total net assets & liabilities	\$2,868,026

Net assets of the District governmental activities increased by \$157,253 or 14.3%. Unrestricted net assets, the part of net assets that can be used to finance the District expenses without constraints or other legal requirements, increased from a year ago, from \$704,351 at December 31, 2006 to \$861,604 at December 31, 2007.

Table 2

	2007
Revenue:	
Water sales	\$556,654
New meter installation, membership and reconnect fees	48,352
Finance charges on late payment of bills	10,680
Miscellaneous	5,900
Ad valorem tax	470
Operating revenue	622,056
Operating expenses	406,076
Operating income	215,980
Other expense, net	(58,727)
Increase in net assets	\$157,253

Operating revenue decreased \$26,608 in 2007 to a total of \$622,056 as compared to an increase of \$26,770 in 2006, as a result of the summer of 2007 having more rain than the comparable period in 2006.

THE DISTRICT'S NET ASSETS

As the District completed the year, its net assets totaled \$1,258,610, which is higher than last year's fund balance of \$1,101,357 due to the net income for 2007.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2007, the District had invested \$2,842,889 in capital assets. (See Table 3 below)

Table 3

	2007
Distribution and treatment systems	\$2,707,796
Equipment	115,527
Vehicle	19,566
Total	\$2,842,889
Major additions include -	
Distribution and treatment systems (Williams Road Water)	\$85,954
Total additions	\$85,954

More detail information about capital assets is presented in Note 2 to the financial statements.

DEBT

As of December 31, 2007, the District's debt totaled \$1,566,239.

More detailed information about the debt is presented in Note 4 to the financial statements.

FUTURE ECONOMIC PLANS

The District has completed its planned system extension. Management believes this will allow the District to serve its customers well into the future. Accordingly, the District does not expect significant expenditures other than normal operating costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Waterworks District No. 7, Keithville and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Waterworks District No. 7, Keithville, at 3836 Colquitt Road, Keithville, Louisiana 71047.

June 16, 2008
Steve Mikovich
President

Waterworks District No. 7
Keithville, Louisiana

Balance Sheet

<u>December 31,</u>	<u>2007</u>
Assets:	
Cash and cash equivalents (Note 3)	\$ 213,042
Accounts receivable, net of \$5,800 allowance for bad debts (Note 1)	46,950
Total current assets	259,992
Investments (Note 5)	211,327
Restricted investments (Note 7)	397,006
Property and equipment, net (Note 2)	1,998,208
Deposits and other assets	1,493
Total assets	\$2,868,026
Liabilities:	
Accounts payable	\$ 4,995
Accrued wages and expenses	29,107
Current portion of bonds and certificate of indebtedness (Note 4)	47,916
Meter deposits	9,075
Total current liabilities	91,093
Long-term debt, less current maturities (Note 4)	1,518,323
Total liabilities	1,609,416
	<i>(Continued)</i>

Waterworks District No. 7
Keithville, Louisiana

Balance Sheet

<i>December 31,</i>	<i>2007</i>
<hr/>	
Net Assets:	
Restricted for debt service and capital asset acquisition	\$ 397,006
Unrestricted	861,604
<hr/>	
Total net assets	1,258,610
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Total net assets and liabilities	\$2,868,026
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See accompanying summary of accounting policies and notes to financial statements.

Waterworks District No. 7
Keithville, Louisiana

Statement of Revenue, Expenditures and Changes in Net Assets

<i>December 31,</i>	<i>2007</i>
Revenue:	
Water sales	\$556,654
New meter installation, membership fees and reconnect charges	48,352
Finance charges on late payment of bills	10,680
Miscellaneous	5,900
Ad valorem tax income	470
Total revenue	622,056
Expenditures:	
Salaries and wages	135,345
Depreciation	65,177
Utilities	39,018
Repairs and maintenance	33,271
Contract labor	18,071
Office supplies and expense	17,855
Vehicle expense	17,400
Payroll tax expense	11,333
Insurance	9,101
Chemicals and chlorine	8,547
Telephone and communications	7,698
Board member fees	7,500
Accounting and legal	7,479
Lease expense	6,000
Fees and permits	5,046
Bank charges	4,652
Miscellaneous	3,908
Workers' compensation	3,762
Bad debt	3,197
Equipment lease expense	1,716
Total expenditures	406,076
	<i>(Continued)</i>

Waterworks District No. 7
Keithville, Louisiana

Statement of Revenue, Expenditures and Changes in Net Assets
(Concluded)

<i>December 31,</i>	2007
Excess of revenue over expenditures from operations	\$215,980
Other income (expense):	
Interest, dividend and other investment income	20,410
Interest expense	(79,137)
Other expense	(58,727)
Excess of revenue over expenditures	157,253
Net assets, beginning of year	1,101,357
Net assets, end of year	\$1,258,610

See accompanying summary of accounting policies and notes to financial statements.

Waterworks District No. 7
Keithville, Louisiana

Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2007</i>
<hr/>	
Cash Flows From Operating Activities:	
Received from customers	\$618,464
Miscellaneous	5,900
Received for ad valorem taxes	471
Paid to employees	(134,151)
Paid for operations	(207,328)
<hr/>	
Net cash flows from operating activities	283,356
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Cash Flows From Capital and Related Financing Activities:	
Paid for capital acquisitions	(85,954)
Interest payments – long-term debt	(79,997)
Principal payments – long-term debt	(46,359)
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Net cash flows from capital and related financing activities	(212,310)
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Cash Flows From Investing Activities:	
Receipt of interest and dividends	20,409
Purchase of investments	(534,799)
<hr/>	
Net cash flows from investment activities	(514,390)
<hr/>	
Net Change in Cash and Cash Equivalents	(443,344)
Cash and Cash Equivalents – Beginning of Year	656,386
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Cash and Cash Equivalents – End of Year	\$213,042
<hr/>	
<i>(Continued)</i>	

Waterworks District No. 7
Keithville, Louisiana

Statement of Cash Flows
(Concluded)

<i>Year Ended December 31,</i>	<i>2007</i>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$215,980
Depreciation expense	65,177
Change in operating assets and liabilities:	
Decrease in accounts receivable	304
Decrease in accounts payable and accrued expenses	(580)
Increase in meter deposits	2,475
Net cash provided by operating activities	\$283,356

See accompanying summary of accounting policies and notes to financial statements

Waterworks District No. 7 Keithville, Louisiana

Summary of Accounting Policies

Business	Waterworks District No. 7, Keithville, Louisiana (a component unit of Caddo Parish, Louisiana) was created by ordinance on January 8, 1975 as provided under Louisiana Revised Statutes 33:3811. The purpose of the District is to provide water service to the residents of District No. 7. The District is governed by a five person board of commissioners appointed by the Caddo Parish Commission. Commissioners of the District serve five-year terms and are compensated as provided in Louisiana Revised Statutes 33:3819. The District is comprised of property in southwest Caddo Parish, Louisiana and serves approximately 1,600 customers. Operations consist of seven (7) wells, five treatment plants and approximately 72 miles of water lines. The District employs five full-time employees.
Basis of Presentation	The financial statements of the Waterworks District No. 7, Keithville have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.
Basis of Accounting	The District utilizes the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time the liabilities are created.
Investments	Investments are stated at the lower of cost or market.
Revenue	Ad valorem taxes are levied on January 1 and due on December 31. Current collections represent amounts levied in prior years as the District no longer levies taxes. Fees for water, meters and connection charges are recognized when earned.
Compensated Absences	Compensated absences for vacation and other paid time off do not accrue past the calendar year.

**Waterworks District No. 7
Keithville, Louisiana**

**Summary of Accounting Policies
(Concluded)**

**Cash and Cash
Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

**Accounts
Receivable**

Uncollectible amounts due for accounts receivable are recognized using the allowance method. The allowance for uncollectible accounts at December 31, 2007, was \$5,800.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Distribution and treatment systems	15-50 years
Building, equipment and vehicles	5-15 years

Waterworks District No. 7 Keithville, Louisiana

Notes to Financial Statements

1. Ad Valorem Taxes The general obligation bonds to be paid by property tax revenues were retired in 2005 and, accordingly, the District no longer levies the related taxes. Property taxes represent taxes levied prior to 2005 that were collected in the current year.

2. Plant, Property and Equipment At December 31, 2007, plant, property and equipment is comprised of the following:

Water distribution system	\$2,167,578
Water treatment plants	515,018
Equipment	47,855
Office furniture, fixtures and equipment	36,410
Land	25,200
Transportation equipment	19,566
Meters	16,896
Buildings	14,366
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Plant, property and equipment	2,842,889
Less - accumulated depreciation	(844,681)
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Plant, property and equipment, net	\$1,998,208

3. Cash and Cash Equivalents At December 31, 2007, all cash and cash equivalents (book balances) were held in demand deposit accounts.

Deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2007, the district has \$222,272 in deposits (collected bank balances). These deposits are protected from risk by \$100,000 of federal deposit insurance and \$592,796 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Waterworks District No. 7
Keithville, Louisiana

Notes to Financial Statements
(Continued)

- 4. Long-Term Debt** The following is a summary of bond transactions of the District for the year ended December 31, 2007:

	Purchase Money Mortgages	Utility Revenue Bonds
Balance, January 1, 2007	\$19,081	\$1,593,516
Principal payments	(10,050)	(36,308)
Balance, December 31, 2007	\$ 9,031	\$1,557,208

Bonds payable at December 31, 2007, is comprised of the following issues:

(Continued)

Waterworks District No. 7
Keithville, Louisiana

Notes to Financial Statements
(Continued)

4. Long-Term Debt
– (continued)

Utilities Revenue Bonds

\$142,000 Revenue Bonds dated August, 1981; due in annual installments ranging from \$4,000 to \$8,000, plus interest at 5%, through August 2021	\$ 80,000
\$340,000 Water Revenue Bonds dated March, 1992; due in annual installments of \$23,100, including interest at 6.125%, through August 2033	291,336
\$643,000 Water Revenue Bonds (initial funding in 2004 totaled \$370,000) dated December, 2004; due in monthly installments of \$2,971, including interest at 4.625%, through September 2044	629,872
\$588,000 Water Revenue Bonds dated June 2006; due in annual installments ranging from \$21,000 to \$49,000, plus interest at 4.75% through August 2023	556,000
Total Utilities Revenue	\$1,557,208

Purchase Money Mortgages

\$20,230 note payable to bank dated December, 2004; payable in monthly installments of \$466, including interest at 5%, through November 2008; collateralized by equipment	\$5,028
\$19,566 note payable to bank dated September, 2004; payable in monthly installments of \$450, including interest at 4.5%, through September 2008; collateralized by truck	4,003
Total Purchase Money Mortgages	\$9,031

(Continued)

Waterworks District No. 7 Keithville, Louisiana

Notes to Financial Statements (Continued)

4. Long-Term Debt - (continued)

The annual requirements to amortize all debts outstanding at December 31, 2007, including \$1,277,601 in interest, are as follows:

Year Ending December 31	Total	Purchase Money Mortgage	Utility Revenue Bonds
2008	\$125,334	\$9,176	\$116,158
2009	115,865	-	115,865
2010	116,525	-	116,525
2011-2015	550,670	-	550,670
2016-2020	588,648	-	588,648
2021-2025	455,675	-	455,675
2026-2030	293,738	-	293,738
2031-2035	247,538	-	247,538
2036-2040	178,240	-	178,240
2041-2045	171,607	-	171,607
Total	\$2,843,840	\$9,176	\$2,834,664

5. Investments

Investments, including restricted accounts, are comprised of the following at December 31, 2007:

Certificates of Deposit	\$419,294
Bonds	106,575
Mutual funds	82,464
Total	\$608,333

6. Operating Leases

The District has entered into six operating leases for plots of land, of which five are for the production of water and one is for stand pipe and for office equipment. The following is a schedule by years of future rental payments required under operating leases having remaining noncancellable lease terms in excess of one year as of December 31, 2008 - \$4,416, December 31, 2009 - \$3,109, December 31, 2110 through December 31, 2012 - \$2,700 each year and 2012 and thereafter - \$37,800.

Waterworks District No. 7
Keithville, Louisiana

Notes to Financial Statements
(Concluded)

7. Restricted Investments

Restricted investment accounts comprised the following as of December 31, 2007:

Reserve Fund	\$118,000
Note Revenue Fund	33,541
Depreciation and Contingency Fund	47,170
	<hr/>
Restricted by Bond Agreements	198,711
	<hr/>
Restricted for Capital Expenditures	198,295
	<hr/>
Total	\$397,006
	<hr/>

Supplemental Material



Caddo Parish Waterworks District No. 7
Keithville, Louisiana

**Statement of Revenue, Expenditures, and Changes in Fund
Balance – Budget and Actual (GAAP Basis)**

Year Ended December 31, 2007

	<u>Budget Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Water Sales	\$ 590,000	\$ 560,00	\$ 556,654	\$ (3,346)
New meter installation, member fees, finance charges and reconnect charges	55,800	65,300	59,032	(6,268)
Miscellaneous	1,200	5,825	5,900	75
Investment income	4,200	13,500	20,410	6,910
Ad valorem taxes	-	475	470	(5)
Total revenues	651,200	645,100	642,466	(2,634)
Expenditures:				
Operating expenditures	451,650	409,385	406,076	3,309
Interest	77,600	54,285	79,137	(24,852)
Total expenditures	529,250	463,670	485,213	(21,543)
Excess of revenue over expenditures	121,950	181,430	157,253	(24,177)
Fund balances, beginning of year	1,101,357	1,101,357	1,101,357	-
Fund balances, end of year	\$1,223,307	\$1,282,787	\$1,258,610	\$(24,177)

Waterworks District No. 7
Keithville, Louisiana
Compensation Paid to Board Members
Year Ended December 31, 2007
Schedule 1

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the Louisiana Legislature.

Commissioner	Term Expires	Amount
Mary Collier	January 8, 2012	\$1,560
Jewel Wagoner	January 8, 2010	1,440
Ann Osment	January 8, 2009	1,500
Steve Mikovich, President	January 8, 2008	1,500
Jimmy Edwards	January 8, 2010	1,500
Total Per Diem Paid		\$7,500

**Waterworks District No. 7
Keithville, Louisiana
Prior Audit Findings and
Management Letter Comments
Year Ended December 31, 2007
Schedule 2**

There were no audit findings for the year ended December 31, 2006.

**Independent Auditors' Report on Compliance
and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance with *Governmental
Auditing Standards***

Board of Commissioners
Waterworks District No. 7
Keithville, Louisiana

We have audited the financial statements of the Caddo Waterworks District No. 7, a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 16, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests revealed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability

to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the District's management, the Board of Commissioners, the Caddo Parish Commission, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, consisting of the letters 'R', 'B', 'M', 'L', and 'P' in a stylized, cursive-like font.

Certified Public Accountants

Shreveport, Louisiana
June 16, 2008

**Waterworks District No. 7
Keithville, Louisiana**

Summary of Audit Results

December 31, 2007

Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of the Waterworks District No. 7.
2. No instances of noncompliance were reported in the auditors' report on compliance.
3. No significant deficiencies in internal accounting control were reported in the auditors' report on internal control.
4. A separate management letter was not issued.